

Message Text

CONFIDENTIAL

PAGE 01 OTTAWA 02665 221334Z

51

ACTION EB-11

INFO OCT-01 EUR-25 EA-11 ISO-00 FEA-02 AEC-11 AID-20

CEA-02 CIAE-00 CIEP-03 COME-00 DODE-00 FPC-01 H-03

INR-11 INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01

SAM-01 SCI-06 SP-03 SS-20 STR-08 TRSE-00 FRB-03 NEA-14

PA-04 PRS-01 USIA-15 DRC-01 /204 W

----- 020014

P R 212200Z AUG 74

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC PRIORITY 4289

INFO AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BELGRADE

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY HELSINKI

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY OSLO

AMEMBASSY PARIS

AMEMBASSY REYKJAVIK

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

AMEMBASSY VIENNA

AMEMBASSY WELLINGTON

USMISSION EC BRUSSELS

USMISSION OECD PARIS

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 OTTAWA 02665 221334Z

C O N F I D E N T I A L OTTAWA 2665

E.O. 11652: GDS

TAGS: EINV, ENRG, OPEC, OECD

SUBJECT: FOREIGN DIRECT INVESTMENT BY OIL PRODUCING NATIONS

REF: STATE 178868

1. DISCUSSION WITH GOC OFFICIALS HAS CONFIRMED OUR IMPRESSION THAT GOC HAS NO SPECIAL POLICY WITH RESPECT TO CURRENT OR PROSPECTIVE INVESTMENTS BY OIL PRODUCING NATIONS IN CANADA. DIRECT INVESTMENT FROM ANY FOREIGN SOURCE IS SUBJECT TO REQUIREMENTS OF FOREIGN INVESTMENT REVIEW ACT WHICH AT PRESENT MEANS PROPOSED TAKEOVERS OF EXISTING ENTERPRISES BY FOREIGNERS ARE SCREENED ON CASE-BY-CASE BASIS TO DETERMINE WHETHER TAKEOVER WILL BRING "SIGNIFICANT BENEFIT" TO CANADA. EVENTUALLY SCREENING WILL BE EXTENDED TO NEW DIRECT INVESTMENT PROPOSALS. BUT THERE ARE NO SPECIAL CRITERIA FOR OPEC INVESTMENT. CAPITAL, OTHER THAN DIRECT INVESTMENT, MOVES FREELY IN AND OUT OF CANADA AND THERE IS NO ACTIVE CONSIDERATION OF ANY CHANGE IN THIS BASIC POLICY. GOC SOURCES NOTE THAT PROVINCES ACT INDEPENDENTLY OF FEDERAL GOVERNMENT IN SOME AREAS, E.G. BOND FLOTATIONS. GOC IS NOT AWARE OF ANY SPECIAL POLICIES RE OPEC COUNTRIES BUT WOULD NOT BE SURPRISED IF PROVINCES IN SOME CASES TRY TO TAP OPEC SOURCES OF CAPITAL. ALSO AT PROVINCIAL LEVEL THERE HAVE BEEN SOME RUMBLINGS ABOUT IMPACT OF FOREIGN REAL ESTATE INVESTMENTS, PERHAPS INCLUDING SOME FROM OIL PRODUCING COUNTRIES, ON LOCAL REAL ESTATE PRICES BUT AGAIN THIS NOT A MATTER OF SPECIAL OR DISCRIMINATORY POLICY AS BETWEEN FOREIGN INVESTORS.

2. EMBASSY DOES NOT BELIEVE THAT GOC WOULD HAVE ANY OBJECTION TO STEPPED-UP U.S. EFFORTS TO ATTRACT OPEC INVESTMENT TO U.S. PROVIDED WE DO NOT ACT IN WAY THAT WOULD ENDANGER ECG COOPERATION.
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 OTTAWA 02665 221334Z

IN BROAD SENSE ANY ACTION THAT STRENGTHENS U.S. ECONOMY BENEFITS CANADA WHICH IS SO HEAVILY DEPENDENT ON U.S. MARKET AND SOURCE OF SUPPLY OF BOTH GOODS AND CAPITAL. ALTHOUGH, GOC WOULD NOT BE IN STRONG POSITION TO COMPLAIN ABOUT RESTRICTIVE ACTION BY U.S., WE THINK GOC WOULD BE CONCERNED BY ANY EVIDENCE FAVORING OPEN ECONOMY AND LIBERAL POLICY TOWARD TRADE AND INVESTMENT.

PORTER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, FOREIGN INVESTMENT, PETROLEUM INDUSTRY, CAPITAL FLOWS
Control Number: n/a
Copy: SINGLE
Draft Date: 21 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974OTTAWA02665
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740231-1042
From: OTTAWA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740830/aaaaazet.tel
Line Count: 116
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: STATE 178868
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 20 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 MAR 2002 by shawdg>; APPROVED <15 MAY 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FOREIGN DIRECT INVESTMENT BY OIL PRODUCING NATIONS
TAGS: EINV, ENRG, CA, OPEC, OECD
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005